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**FISCAL IMPACT STATEMENT**

**LS 6944**

**BILL NUMBER:** HB 1332

**NOTE PREPARED:** Jan 21, 2014

**BILL AMENDED:**

**SUBJECT:** Office of Small Business and Entrepreneurship.

**FIRST AUTHOR:** Rep. Messmer

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill codifies the law concerning the Office of Small Business and Entrepreneurship (OSBE). It transfers the small business development center, the small business ombudsman, and the Young Entrepreneurs program from the Indiana Economic Development Corporation (IEDC) to the OSBE by removing or repealing the appropriate provisions in the IEDC law and recodifying them in the law concerning the Lieutenant Governor.

The bill extends the Young Entrepreneurs program by two years. It makes conforming changes.

**Effective Date:** May 1, 2014.

**Explanation of State Expenditures:** *Indiana Economic Development Corporation (IEDC):* This bill transfers the small business development center, the small business ombudsman, and the Young Entrepreneurs program to the OSBE. It transfers all powers, duties, liabilities, records, property, and appropriations relating to these programs to the OSBE on May 1, 2014. This bill may allow the IEDC to dedicate resources currently used for these programs to other initiatives.

*Office of Community and Rural Affairs (OCRA):* The OCRA will partner with the OSBE, instead of the IEDC, to administer the Young Entrepreneurs program. The OCRA should be able to continue supporting this program with its current level of staff and resources.

*Office of Small Business and Entrepreneurship (OSBE):* In June 2013, the Governor established the OSBE. This bill codifies the establishment of the agency and transfers programs specifically designed to assist small businesses from the IEDC to the OSBE. The OSBE currently has a director and 10 other vacant positions.

*Young Entrepreneurs Program:* The Young Entrepreneurs program was established in 2011 to promote the business proposals of students in entrepreneurial programs at state institutions. This bill extends the program to January 1, 2017. Currently, the program expires on January 1, 2015. This bill also transfers the administration of the program from the IEDC to the OSBE.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** OSBE; IEDC; OCRA.

**Local Agencies Affected:**

**Information Sources:** *State Staffing Report*, January 1, 2014.

**Fiscal Analyst:** Heath Holloway, 232-9867.